FISCAL NOTE

SB 1573 - HB 1951

March 7, 2003

SUMMARY OF BILL:

- Requires the Comptroller of the Treasury to select a municipal electric system that provides cable, internet access or related services to provide, as a pilot project, such services outside its service area but within the county limits in which the system is principally located.
- Requires a resolution requesting such services be provided to residents from the county legislative body regarding service in unincorporated areas and from any other municipality within the county regarding service within such municipality.
- Requires the consent of each electric cooperative or other municipal electric system in whose territory the service would be provided.
- Provides for the Comptroller to report to the General Assembly by January 31, 2006 with recommendations regarding the continuation of the pilot project.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Not Significant
Increase State Expenditures - Not Significant

Increase Local Govt. Revenues - Not Significant / Permissive
Increase Local Govt. Expenditures - Not Significant / Permissive

Estimate assumes:

- to the extent a municipal electric system obtains proper approval as provided for in the bill to expand its services outside its service area, it will experience an increase in expenditures for this expansion as well as an increase in revenues from service fees paid by additional customers. These expenditures and revenues are estimated to primarily offset each other and be not significant.
- a not significant increase in state expenditures for the costs to the Comptroller's office to report on the pilot project.
- to the extent the service expansion increases the tax equivalent payments made by an affected municipal electric service as required by TCA 7-52-606, the state will experience a not significant increase in revenues.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

James A. Davenport, Executive Director

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